

SHARED EARNINGS AGREEMENT BETWEEN CALM COMPANY FUND AND Company.

Date

The following is a summary of the principal terms with respect to the proposed financing of (the “Company”). Except for the section entitled “Confidentiality,” this summary of terms does not constitute a legally binding obligation. The parties intend to enter into a legally binding obligation only pursuant to definitive agreements to be negotiated and executed by the parties.

Amount of Investment	\$
Shared Earnings	By the 10th day of each quarter, the Company will pay the Investor the Percentage (as defined below) of: the Company's Founder Earnings (as defined below) less the proportional Founder Earnings Threshold (as defined below), in the preceding quarter. Shared Earnings shall continue until the Investor has received the Shared Earnings Cap.
The Percentage	The Percentage shall be %.
Net Income	Net Income means net income determined in accordance with GAAP.
Founder Earnings	Founder Earnings means Net Income, adding back any founders' salaries.
Founder Earnings Threshold	\$ per founder per year.
Shared Earnings Cap	The Shared Earnings Cap will be X the investment amount.
Equity Basis	The Equity Basis will be the greater of (i) any unpaid portion of the Shared Earnings Cap, or (ii) the Amount of Investment.
Equity Conversion	The Investor has the right, at its option, to convert the Equity Basis into the shares sold by the Company in its next fixed-price round of financing, at a price per share equal to the lesser of (i) the price of the securities sold in the next financing, or (ii) at a price per share calculated by dividing the Valuation Cap (defined below) by all issued and outstanding shares plus all shares reserved for issuance under any equity incentive plan at the time of the closing of the next financing.
Valuation Cap	\$
Sale	On a sale of the Company, the Investor is entitled to receive the greater of (i) any unpaid amount of the Shared Earnings Cap or (ii) the amount the Investor would be entitled to receive if it converted the Equity Basis at the Valuation Cap.
Information Rights	The Investor is entitled to standard information and inspection rights including any records of accounting necessary to verify Shared Earnings calculations.

Board Observer

The Investor will be entitled to attend Board Meetings as an observer upon its request, subject to executing a standard form observer confidentiality agreement.

Participation Rights

The Investor will have the right to participate on a pro rata basis in subsequent issuances of equity securities, subject to customary exclusions.

Confidentiality

Without the consent of the Investor, the Company shall not disclose these terms to anyone other than the Company's officers, directors, and key service providers.

COMPANY:

INVESTOR:

Name: _____

Title: _____

Date: _____

Name: _____

Title: _____

Date: _____